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Biden Warns Consumers to be Wary of Financial Scams

Fraudsters targeting Delaware residents in social networking, sweepstakes schemes

Wilmington – Attorney General Beau Biden today marked the start of National Consumer Protection Week, which runs from March 4-10, by alerting consumers to be aware of several financial fraud scams that have victimized consumers across the state in recent weeks. Each scam, including sweepstakes schemes and a scam that originated on a social networking website, employed attempts to convince Delawareans to ship or wire thousands of dollars to locations outside the state.

“Fraudsters are always inventing new schemes to victimize consumers, and they prey on victim’s trust to steal their money,” Attorney General Biden said. “The best way to avoid losing your hard-earned money to a scam is to be alert to the signs of fraud. I urge consumers who suspect they are being targeted in a scam to call our Consumer Hotline at 1-800-220-5424 so that we may review the solicitation with them before they provide any personal information or make any payments.”

In the first case, a Delaware consumer reported being defrauded out of hundreds of thousands of dollars after she met the scammer through an online social networking website. After building a relationship and securing her trust, the scammer claimed that he had been robbed while on a business trip out of the country and that he could not return to the United States until he paid a substantial amount of money. Over a period of several months the victim wired more than \$250,000 through multiple transactions before reporting the scam to the Attorney General’s office.

In addition, in two separate incidents, investigators from the Attorney General’s Consumer Protection Unit have responded recently to sweepstakes scams targeting Delawareans:

- The Attorney General’s office received a report that an elderly the couple was attempting to withdrawal \$1,000 in an effort to collect a lottery sweepstakes prize. The couple were told that in order to receive \$2.5 million in prize money, they had to pay \$1,000 in taxes. The scammers directed the couple to purchase prepaid money cards at a local pharmacy and wait with the cards at their home for delivery of their winnings. Investigators learned that the scammers intended to contact the victims and obtain information over the phone that would allow them to access the funds from the prepaid cards without visiting the victims in-person. The Attorney General’s office intervened to stop the transaction.
- A Sussex County consumer received a call from Canada claiming said she had won millions of dollars in a Publisher’s Clearing House sweepstakes, but that they needed \$12,000 up front for tax purposes. The consumer sent \$12,000 in cash to a woman in Canada before reporting the scam to the Attorney General’s office.

Biden noted that if an offer appears to good to be true, it probably is. He urged consumers to follow these tips to avoid these scams:

- Never believe an unsolicited letter, phone call or Internet message from anyone who claims that you have won a lottery or sweepstakes prize.
- Never wire money to someone you do not know. Don't ever wire funds from a check you've received to pay "taxes or fees" for a promised lottery or sweepstakes prize. Legitimate lotteries do not require winners to pay money up-front for taxes or fees.
- Beware of callers requesting money be sent via a wire service, electronic transfer, or overnight delivery. This is a quick, easy and anonymous way for scam artists to get the money and run.
- Do not give out your personal information, including social security number, credit card and bank account numbers to anyone without verifying that the use of your information is legitimate.
- When in doubt, call the Attorney General's consumer fraud hotline at (800) 220-5425 to report suspected scams and fraud.

Consumers are encouraged to visit the Attorney General's website at www.attorneygeneral.delaware.gov to view tips and educational information, instructions for filing consumer complaints, and "consumer alert" notices about specific frauds and scams.

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